

8342 *B*

REGISTRATION NO. 8342

MAY 25 1976 10 00 AM

INTERNATIONAL COMMERCE COMMISSION

AGREEMENT OF BAILMENT dated as of April 27, 1976, between Canadian National Railway Company (hereinafter called the Railway) and National Steel Car Corporation, Limited (hereinafter called the Builder).

WHEREAS the Builder is constructing the units of railroad equipment described in Annex "A" hereto (hereinafter called the Equipment) and the Railway desires to obtain possession of the Equipment prior to the conditional sale of the Equipment by the Builder to the Railway and the assignment (hereinafter called the Assignment) of the contract evidencing such conditional sale by the Builder to Mercantile-Safe Deposit and Trust Company (hereinafter called the Agent).

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. The Builder agrees to deliver to the Railway from time to time throughout the term of this agreement certain units of the Equipment upon completion of construction thereof for the possession and use of the Railway, as bailee, pursuant to this Agreement of Bailment subject to compliance by the Railway of the provisions hereinafter set forth.

2. The Railway undertakes to pay to the Builder the purchase price of such units of the Equipment delivered under this

*[Signature]*

agreement in the event that the Agent does not pay to the Builder an amount equal to the purchase price on or prior to the 27th day of May, 1976 in respect of such units of the Equipment pursuant to the terms of the Assignment. It is understood that title to the Equipment shall remain in the Builder until the Builder receives payment for the Equipment pursuant either to the Assignment or to this Section 2.

3. The Railway undertakes to indemnify and hold the Builder harmless from all claims, costs or expenses associated with the Railway's use or operation of the Equipment during the term of this agreement.

4. This agreement shall terminate on the earlier of the 27th day of May, 1976 or upon the sale of the Equipment from the Builder to the Agent.

IN WITNESS WHEREOF, the parties hereto, each pursuant to due corporate authority, have caused this Agreement of Bailment to be duly executed as of the date first above written.



CANADIAN NATIONAL RAILWAY COMPANY,

by

C. H. Bailey  
Vice-President

[Signature]  
DEPUTY ~~Assistant~~ Secretary

NATIONAL STEEL CAR CORPORATION, LIMITED

by

H. S. Ashby  
Vice-President - Sales

ANNEX "A" to the Agreement of Bailment dated  
as of April 27, 1976, between Canadian National  
Railway Company and National Steel Car  
Corporation, Limited

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<u>Type of Equipment</u>	<u>No. of Units</u>	<u>Unit Numbers</u>
70-ton Tri-level Auto Rack Cars	147	CN 700911, CN 700926, CN 700927, and CN 700931 to CN 701074, inclusive
70-ton Longitudinal Hopper Cars	293	CN 302307 to CN 302599, inclusive

